

FY 2017 BUDGET RECONCILIATION BILLS (BRBs) AND MAJOR FOOTNOTE CHANGES*

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*Chapter numbers refer to 2nd Regular Session.

FY 2017 BUDGET RECONCILIATION BILL PROVISIONS

BONUS DEPRECIATION - CHAPTER 118 (HB 2697)

	<u>Section</u>
1. * As permanent law, increase the first-year bonus depreciation allowance that individual income taxpayers may deduct for purchases of qualified new property, from 10% of the federal allowance in tax year (TY) 2015 to 55% in TY 2016 and 100% in TY 2017 and later years. Federal law permits taxpayers a first-year bonus depreciation deduction on their federal income taxes equal to 50% of an investment.	1

BUDGET PROCEDURES - CHAPTER 127 (SB 1529)

Statewide	<u>Section</u>
2. As session law, notwithstanding A.R.S. § 35-111 to permit the Governor to submit an annual budget for FY 2018.	8
3. As session law, notwithstanding A.R.S. § 35-113 to permit the head of each department to submit an annual budget for FY 2018.	8
4. As session law, notwithstanding A.R.S. § 35-121 to permit annual appropriations for all agencies for FY 2019. (Laws 2015, Chapter 11 permitted annual appropriations for all agencies through FY 2018.)	8
5. As session law, continue to set the FY 2017 Capital Outlay Stabilization Fund (COSF) rental rate charged by the Arizona Department of Administration (ADOA) at \$13.08/square foot for rentable office space and \$4.74/square foot for rentable storage space.	6
6. As session law, continue to require unrestricted Federal Funds to be deposited in the General Fund for the payment of essential government services.	5
7. * As permanent law, require agencies with information technology projects above \$5,000,000 to submit quarterly third-party reports to JLBC.	3
Arizona Department of Administration	
8. * As permanent law, require the department to report to the JLBC Staff by November 1 annually any exemptions granted under A.R.S. § 35-191A for orders for goods and/or services made in one fiscal year and received beyond August 30 of the following year.	1
9. * As session law, require ADOA to report to JLBC within 30 days of the sale of the state property located at Doubletree Road regarding the terms and final sale price.	7
Legislative Council	
10. *As permanent law, the Council may pay legal fees jointly incurred by the House and Senate on the authorization of the Speaker and President.	2
Arizona State Lottery Commission	
11. * As session law, require that \$27,227,600 in Lottery ticket sales commissions earned during the second half of FY 2015 be paid from the State Lottery Fund's FY 2015 ending balance.	4
Revenues	
12. As session law, continue to notwithstanding the requirements for any deposit to or any withdrawals from the Budget Stabilization Fund through FY 2019.	9

AGENCY CONSOLIDATION - CHAPTER 128 (SB 1530)

Arizona Department of Administration

Section

13. * As permanent law, merge the State Boards' Office with the Department of Administration by combining the Central Services Bureau and the State Boards' Office funding in the appropriated portion of the Special Services Revolving Fund.

52

Department of Fire, Building and Life Safety

14. * As permanent law, eliminate the department and transfer its functions as follows: Office of the State Fire Marshal to the State Forester; the Office of Manufactured Housing to the Department of Housing; and the Homeowners Association dispute process to the Department of Real Estate.

1-2,4,
18-21,24-27,
30-51,53-80,
86-128,
131,138

Arizona Geological Survey

15. * As permanent law, transfer the statutory responsibilities of the Geological Survey to the University of Arizona, except transfer the Oil and Gas Commission (as described in A.R.S. § 27-515) to the Department of Environmental Quality.

5-14,16-17,
28,29,130,137,
138

Arizona Historical Society

16. * As permanent law, transfer the Mines and Minerals Museum to the University of Arizona.

8,9,10,11,15,
22-23,81-85,
132-136,138,
139

Industrial Commission of Arizona

17. * As permanent law, transfer the OSHA Review Board, along with its statutory authority and appropriation, to the Industrial Commission.

3,129,138

CREDIT ENHANCEMENT PROGRAM - CHAPTER 129 (SB 1531)

School Facilities Board

Section

18. * As permanent law, create the Arizona Public School Credit Enhancement Program. The program is established to assist achievement district schools in obtaining financing by guaranteeing the payment of principal and interest. Establishes definitions of achievement district school, including traditional and charter schools with an "A" letter grade and verifiable enrollment demand.
19. * As permanent law, create the Credit Enhancement Eligibility Board to determine the allocation of monies. Board consists of the Governor, the Treasurer and the ADOA Director.
20. * As permanent law, creates the Arizona Public School Credit Enhancement Fund and allows it to be used to make payments of principal and interest on guaranteed financing of achievement district schools.
21. * As session law, transfer \$23,900,000 from the Access Our Best Public Schools Fund to the Arizona Public School Credit Enhancement Fund in FY 2017 and repeal the Access Our Best Public Schools Fund effective September 1, 2017.
22. * As permanent law, allows the Credit Enhancement Board to use \$80,000,000 of program funding obligations from the Treasurer's operating fund balance.

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CRIMINAL JUSTICE - CHAPTER 119 (HB 2701)

Attorney General - Department of Law

Section

23. * As permanent law, eliminate JLBC review of funding sources that agencies have selected to pay their Attorney General Legal Services charges.

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State Department of Corrections

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| 24. | As session law, continue to require the department to report actual FY 2016, estimated FY 2017, and requested FY 2018 expenditures as delineated in the prior year when the department submits its FY 2018 budget request pursuant to A.R.S. § 35-113. | 14 |
| 25. | * As session law, permit the department to transfer and use monies from the Special Services Fund for the replacement of the Adult Inmate Management System. | 13 |
| 26. | * As permanent law, establish the Arizona Department of Corrections (ADC) as the administrator of the Corrections Fund. | 8 |
| 27. | * As permanent law, expand eligibility of the transition program to include DUI convictions. Also specifies the behavior standards inmates need to meet to be considered a candidate for the program. | 3,4 |
| 28. | * As session law, if the male inmate state daily population exceeds the April 2016 level by 1,000 prisoners by the end of November 2016, ADC is authorized to add 1,000 male medium beds, subject to Joint Committee on Capital Review approval. With the awarding of any contract from this RFP, counties would have the first right of refusal for no more than 250 beds if they are able to meet the needs of the RFP and they offer a per diem at the same rate or less than other non-county bidders. Counties may be awarded more than the 250 beds. Authority to issue the 1,000 bed RFP expires at the end of December 2016. As session law, amend Laws 2015, Chapter 17 to eliminate the option for the State Legislature to authorize the remaining 1,000 beds of the RFP issued in May 2015. | 11,12,26 |
| 29. | * As session law, allow the ADOA with the participation of the ADC to enter into a financing agreement in FY 2017 for an existing prison capital lease. The financing agreement should generate a combined total of savings of at least \$25,000,000. Before entering the agreement, ADC and ADOA will submit the proposed terms to the JCCR for review and shall report the total cost savings and the allocation of such savings to the JCCR. | 24 |
| 30. | * As permanent law, would allow the ADC to order certain prisoners as a condition of supervision to apply to the Arizona Health Care Cost Containment System (AHCCCS) for health insurance coverage and requires AHCCCS and ADC to have an agreement to reinstate coverage for those prisoners that previously had AHCCCS coverage and are serving a sentence of less than 12 months upon release. Would permit ADC to coordinate with Regional Behavioral Health Authorities and AHCCCS, especially for those in need of mental health assistance. | 7 |

Arizona Criminal Justice Commission

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| 31. | * As permanent law, convert the Drug Enforcement Account within the Criminal Justice Enhancement Fund into its own separate fund. | 2,9,10 |
| 32. | * As permanent law, clarify references to the Resource Center Fund to match existing language in A.R.S. § 41-2402. | 1,5,9 |

Department of Health Services

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| 33. | * As session law, establish a study committee to examine long-term treatment and supervision for dangerous and non-restorable defendants. The committee would include 2 members of the Legislature, as well as other officials from state and local government, and would be staffed by the Legislature. On or before December 15, 2016, the committee would submit a report of its findings and recommendations to the Governor, Speaker of the House, and the President of the Senate. | 25 |
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Judiciary

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| 34. | As session law, continue to suspend county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs and require the Supreme Court to report on reductions in county funding as a result of the elimination of the non-supplanting provisions. | 18 |
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Department of Juvenile Corrections

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| 35. | As session law, continue to state that it is the intent of the Legislature that each county pay an assessed amount determined by the county's proportional share by population of \$11,260,000 (down from \$12,000,000 in FY 2016). | 21 |
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Department of Public Safety

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| 36. | As session law, continue to require the Department of Public Safety (DPS) to receive JLBC review of the expenditure plan for the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Border Security and Law Enforcement Subaccount FY 2017 appropriation prior to its expenditure. | 16 |
| 37. | As session law, continue to notwithstanding the statutory spending cap of \$10,000,000 for HURF. | 15 |
| 38. | As session law, continue to allow use of the State Aid to Indigent Defense Fund for DPS operating expenses. | 19 |
| 39. | * As session law, permit use of Automobile Theft Authority Fund for the Border Strike Force. | 20 |
| 40. | * As session law, allow DPS to utilize monies in the Concealed Weapons Permit Fund for virtual training of law enforcement officers. | 22 |
| 41. | * As session law, allow DPS to utilize monies in the Drug and Gang Prevention Resource Center Fund for Border Strike Task Force expenses. | 23 |
| 42. | * As session law, allow DPS to utilize \$137,700 from the FY 2017 GIITEM Subaccount appropriation for costs related to an increase in the PSPRS employer contribution rate | 17 |

ENVIRONMENT - CHAPTER 120 (HB 2702)**Corporation Commission****Section**

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| 43. | * As permanent law, amend Laws 2016, Chapter 56 to allow persons with a distributed generation system, such as a solar panel, to connect to their utility's power grid using their utility effective interconnection requirements. Laws 2016, Chapter 56 previously required users of distributed generation systems to connect to their utility's power grid using standards established by the Corporation Commission. | 1 |
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Department of Environmental Quality

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| 44. | As session law, continue to allow the department to utilize up to \$6,531,000 from the Underground Storage Tank (UST) Fund in FY 2017 for department administrative expenses. | 6 |
| 45. | * As session law, continue to suspend the requirement to appropriate \$15,000,000 from the state General Fund to the Water Quality Assurance Revolving Fund. In prior years, the General Fund appropriation was reduced to \$7,000,000. In FY 2017, reduce the General Fund appropriation to \$2,823,600 and appropriate \$4,250,000 from the Vehicle Emissions Inspection Fund and \$2,875,000 from the Air Quality Fund for a total of \$9,948,600. | 8 |
| 46. | As session law, continue to allow \$1,800,000 of the department's Emission Inspection Fund monies to be spent on the Safe Drinking Water Program. | 9 |
| 47. | * As permanent law, revise 2015 Underground Storage Tank statutory changes to allow the UST Fund to retain its interest earnings rather than deposit them in the General Fund. | 2 |
| 48. | * As session law, reduce vehicle emissions inspection fees by \$3 in Area A, which includes Maricopa County and portions of Pinal and Yavapai Counties. | 10 |

State Land Department

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| 49. | * Repeal provisions in the FY 2016 Environment Budget Reconciliation Bill to establish a new Trust Land Administration Fund associated with the November 2016 ballot measure. | 3 |
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Arizona Navigable Stream Adjudication Commission

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| 50. | As session law, continue to allow use of Water Banking Fund for the commission's unpaid legal obligations. | 7 |
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Arizona State Parks Board

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| 51. | As session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs. | 5 |
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Department of Water Resources

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| 52. | As session law, continue to allow the department's Water Protection Fund Commission to spend up to \$336,000 on administrative functions out of their unobligated balances in FY 2017. | 4 |
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| 53. | As session law, continue to allow the department non-municipality special fee authority, including an intent clause that limits additional revenue up to \$100,200, and exempt department from rulemaking for this purpose. | 11 |
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GOVERNMENT - CHAPTER 121 (HB 2703)

Department of Emergency and Military Affairs

Section

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| 54. | * As permanent law, create a revolving contingency fund to enable the Department of Emergency and Military Affairs to incur expenses and receive reimbursement for assistance provided to Emergency Management Assistance Compact members. The creation of the fund would be retroactive to May 1, 2016. Also deposits \$300,000 of the Governor's Emergency Fund authorization to the Emergency Management Assistance Compact Revolving Fund in FY 2016. | 1,8,10 |
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Arizona Medical Board

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| 55. | * As session law, authorize the agency to continue spending credentials verification monies in FY 2016, but prohibit the board from spending such monies after FY 2016. | 7,10 |
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Department of Public Safety

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| 56. | * As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. | 2 |
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Retirement Systems

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| 57. | * As permanent law, require Arizona State Retirement System and Public Safety Personnel Retirement System annual reports to include information on aggregate private equity fees. | 5,6 |
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Department of Transportation

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| 58. | * As permanent law, allow ADOT to review, approve, oversee and enforce federal light rail requirements. | 3 |
| 59. | * As permanent law, create a Department of Public Safety Subaccount and an Arizona Department of Transportation Subaccount within the Safety Enforcement and Transportation Infrastructure Fund and allocate 45% of revenues to the Department of Public Safety Subaccount and 55% of revenues to the Arizona Department of Transportation Subaccount. | 2 |

State Treasurer

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| 60. | * As permanent law, require the State Treasurer and State Board of Investment to make necessary distributions from the Permanent Fund associated with Proposition 123. | 4,9 |
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HEALTH - CHAPTER 122 (HB 2704)

AHCCCS

Section

Rates and Services

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| 61. | As session law, continue the FY 2010 risk contingency rate reduction for all managed care organizations. Continue to impose a reduction on funding for all managed care organizations administrative funding levels. | 24 |
| 62. | * As permanent law, provide dental coverage capped at \$1,000 per member per year for elderly and physically disabled adults enrolled in the Arizona Long Term Care System (ALTCS). | 12 |
| 63. | * As permanent law, provide coverage for podiatry services performed by a licensed podiatrist for adults enrolled in AHCCCS. | 9,10 |
| 64. | * As permanent law, require AHCCCS and AHCCCS contractors to reimburse providers participating in the federal 340B drug discount program at the lesser of the 340B discount price or the actual acquisition cost for drug claims submitted on behalf of AHCCCS enrollees. Hospitals and certain outpatient facilities would be exempt. AHCCCS is required to report by November 2016 on the feasibility of expanding this requirement to additional entities. | 11,33 |

65.	As session law, repeal the FY 2016 Health BRB session law provision limiting AHCCCS capitation rate increases to no more than 1.5% in FY 2017 and FY 2018.	14
<i>Counties</i>		
66.	As session law, set FY 2017 county Arizona Long Term Care System (ALTCs) contributions at \$249,980,000.	15
67.	As session law, set the County Acute Care contribution at \$47,041,500. This amount includes an inflation indexing of the Maricopa County contribution as required by Laws 2005, Chapter 328.	20
68.	As session law, continue to require the collection of \$2,646,200 in the Disproportionate Uncompensated Care pool contributions from counties other than Maricopa. Exclude these contributions from county expenditure limitations.	21
69.	As session law, continue to exclude Proposition 204 administration costs from county expenditure limitations.	23
70.	As session law, continue to require AHCCCS to transfer any excess monies back to the counties by December 31, 2017 if the counties' proportion of state match exceeds the proportion allowed in order to comply with the Federal Affordable Care Act.	19
71.	* As permanent law, transfer the Intergovernmental Agreement (IGA) for County Behavioral Health Services Fund to AHCCCS following the behavioral health services transfer.	11
<i>Hospitals</i>		
72.	As session law, establish FY 2017 disproportionate share (DSH) distributions to the Maricopa Special Healthcare District (MIHS), the Arizona State Hospital, private qualifying disproportionate share hospitals, and Yuma Regional Medical Center. Require AHCCCS to give priority to rural hospitals in Pool 5 distribution, and allow MIHS to be eligible for Pool 5 allocations. As session law, permit local jurisdictions to provide additional local match for Pool 5 distributions.	18
73.	As session law, continue to require AHCCCS to report to JLBC and the Governor's Office of Strategic Planning and Budgeting (OSPB) on any supplemental hospital payments paid to Critical Access Hospitals in FY 2017.	25
<i>Erroneous Payments</i>		
74.	As session law, continue to permit AHCCCS to recover erroneous Medicare payments made due to errors by the federal Social Security Administration. Subject to legislative appropriation, any credits received may be used to pay for the AHCCCS program in the year they are received.	26
<i>Available Funding</i>		
75.	As session law, continue to state that it is the intent of the Legislature that AHCCCS implement a program within its available appropriation.	34
76.	* As permanent law, allow use of Tobacco Tax Medically Needy Account for the Traditional population and for behavioral health services.	3
77.	* As permanent law, establish a Delivery System Reform Incentive Payment (DSRIP) Fund within AHCCCS. DSRIP is a federal program to make incentive payments to providers to improve the delivery of health care. Would require that AHCCCS submit a DSRIP expenditure plan for review by the JLBC before any monies are deposited in the DSRIP Fund.	11
<i>Transfer of Substance Abuse Services Fund from DHS to AHCCCS</i>		
78.	* As permanent law, require AHCCCS to establish services for alcohol and drug abuse pursuant to A.R.S. § 36-2001.	4
79.	* As permanent law, grant AHCCCS all powers and duties associated with administering substance abuse services, including the authority to accept grants, matching funds, or direct payments from public or private agencies for substance abuse programs pursuant to A.R.S. § 36-2003.	6
80.	* As permanent law, designate AHCCCS as the single state agency responsible for developing and implementing the state plan to address alcohol and drug abuse pursuant to A.R.S. § 36-2004.	7
81.	* As permanent law, provide AHCCCS with the authority to administer the Substance Abuse Services Fund pursuant to A.R.S. § 36-2005.	8
82.	* As permanent law, repeal the Interagency Coordinating Council established in A.R.S. § 36-2002. The Council assisted in implementation of drug abuse control policies in this state, but expired in July 1973.	5

Reports

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| 83. | As session law, continue to require AHCCCS to submit a report to the JLBC and OSPB by December 1, 2016 on utilization of emergency departments for non-emergency use by AHCCCS enrollees. | 30 |
| 84. | As session law, continue to require AHCCCS and DHS to submit a joint report to the Legislature and the Governor by January 1, 2017 on hospital costs and charges. | 31 |
| 85. | As session law, continue to require AHCCCS to report to JLBC and OSPB by December 31, 2016 on efforts to increase third-party liability payments for behavioral health services. This report was previously required to be prepared by DHS. | 13 |
| 86. | * As session law, require AHCCCS to report to JLBC on or before January 2, 2017 on the availability of inpatient psychiatric treatment for children and adults enrolled in Arizona's Regional Behavioral Health Authorities. | 32 |
| 87. | * As session law, require AHCCCS to submit a report for review by JLBC on or before December 1, 2016 that includes an analysis of the state fiscal implications of recent federal policy guidance that expanded the scope of Medicaid services furnished to Native Americans that may qualify for a 100% federal matching assistance percentage. | 29 |

Department of Economic Security

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| 88. | * As permanent law, provide dental coverage capped at \$1,000 per member per year for adults with a developmental disability enrolled in the Arizona Long Term Care System (ALTCs). | 12 |
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Department of Health Services

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| 89. | As session law, continue to require all counties to pay 31% of their total Sexually Violent Person (SVP) costs throughout the entire commitment process, including pre-adjudication proceedings, in FY 2017. | 16 |
| 90. | As session law, continue to require all cities and counties to pay 100% of cost of Restoration to Competency treatment in FY 2017. Allow counties to use any source of county revenue to make the transfers. | 17 |
| 91. | As session law, continue to notwithstanding A.R.S. § 36-773 to permit DHS to use Tobacco Tax and Health Care Fund - Health Research Account for Alzheimer's disease research. | 28 |
| 92. | * As session law, retain the Interagency Service Agreement (ISA) for Behavioral Health Services Fund in DHS until the fund is repealed on September 1, 2020. Prohibit DHS from spending the monies for any purpose except to pay for behavioral health services claims incurred June 30, 2016 or earlier. Allow any unexpended or unencumbered monies in the fund to revert to the General Fund on July 1 of FY 2018, FY 2019, and FY 2020 after any adjustments are approved by AHCCCS and reviewed by JLBC. | 1,2,22,35 |
| 93. | * As session law, notwithstanding A.R.S. § 36-108.01C and A.R.S. § 5-572C to appropriate monies from the Health Services Lottery Monies Fund for purposes specified in the FY 2017 General Appropriation Act, including the reduction of a projected shortfall in the ASH Fund, and additional funding for Area Agencies on Aging in the Department of Economic Security (DES). | 27 |

HIGHER EDUCATION - CHAPTER 130 (SB 1537)

Arizona Community Colleges

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| 94. | As session law, continue to suspend Science, Technology, Engineering and Mathematics (STEM) and Workforce Programs funding formula for FY 2017 and specify the funding in the General Appropriation Act. | <u>Section</u>
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Universities

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| 95. | As session law, continue to suspend the statutory requirement that the state provide a 2:1 ratio of state funding to student fees deposited into Arizona Financial Aid Trust (AFAT). | 4 |
| 96. | * As permanent law, separate existing appropriated and non-appropriated tuition funds into 2 subaccounts, effective in FY 2019. Appropriated tuition no longer deposited with Treasurer. | 1,3 |
| 97. | * As permanent law, modify statute to reflect long-term debt service savings from refinance of research infrastructure projects and specify appropriations through the end of debt service in FY 2031. | 2 |

HUMAN SERVICES - CHAPTER 123 (HB2705)

Department of Child Safety		<u>Section</u>
98.	As session law, continue to require the department to report with the Early Childhood Development and Health Board on collaborative efforts on child welfare issues.	8
99.	As session law, require the Auditor General to evaluate the department's performance in central administration (2/17), staff retention and utilization (9/17), including the use of supportive practices and Arizona Families First program (3/18).	7
100.	* As session law, allow the Department of Child Safety (DCS) to shift the use of Lottery monies for the Healthy Families program to other programs.	6
101.	* As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to DES and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation	5
102.	* As session law, require DCS to review foster home licensing rules and solicit input from foster families. Require the department to report its findings to legislative leadership by December 31, 2016. Makes the provision retroactive to July 1, 2016.	9
 Department of Economic Security		
103.	As session law, continue to require recipients of Temporary Assistance for Needy Families (TANF) Cash Benefits to pass a drug test in order to be eligible for benefits if DES has reasonable cause to believe that the recipient uses illegal drugs.	4
104.	As session law, continue to permit DES to reduce income eligibility levels for all child care programs. Require DES to report to the JLBC within 15 days of any change in levels.	3
105.	* As session law, void language in original FY 2016 budget that proportionally reduced General Fund dollars to DES and DCS for every federal Temporary Assistance for Needy Families dollar received in excess of their FY 2016 appropriation.	5
106.	* As permanent law, require DES to report annually by November 1 a plan and estimated budget to the JLBC for review for the closure of the Arizona Training Program at Coolidge and associated group homes. Require DES to notify and meet all clients and guardians impacted by the transition and provide a list of alternative residential and in-home service options.	1
 Legislative Council		
107.	* As session law, delays the repeal of an Ombudsman-Citizens Aide Office (OCAO) provision from June 2016 to June 2018. The provision continues to allow OCAO, upon investigation, to refer any complaint concerning the Department of Child Safety directly to a Superior Court judge.	2

K-12 EDUCATION - CHAPTER 124 (HB 2707)

Arizona Community Colleges		<u>Section</u>
108.	* As permanent law, increase the maximum amount of unclaimed lottery prize monies that may be deposited annually into the Tribal College Dual Enrollment Program Fund to \$250,000 versus \$160,000 under current law.	1
 Department of Education		
<i>JTEDs</i>		
109.	As session law, continue to fund state aid for Joint Technical Education Districts (JTEDs) with more than 2,000 Average Daily Membership (ADM) students at 95.5% of the formula requirement and reduce budget limits accordingly.	38
110.	* As permanent law, delete language allowing students enrolled in JTED programs on January 1, 2016 to continue to participate, as this language is being replaced with corrected session law language (<i>see section 39</i>). Retroactive to July 1, 2015.	9

111.	* As session law, clarify for FY 2016 that any student under age 21, including a high school graduate, who is enrolled in a JTED program in FY 2016 may continue to participate in the program and remain in its ADM count through the end of FY 2016.	39
112.	* As session law, for FY 2017 allow any student under age 21, including a high school graduate, who is enrolled in a JTED program on February 1, 2016 to continue to participate in the program and remain in its ADM count until the student completes the program or through the end of FY 2017, whichever occurs first.	39
113.	* As permanent law, require JTEDs to report information on student retention and program completion.	10
<i>Formula Requirements</i>		
114.	As permanent law, increase the base level (A.R.S. § 15-901B2), the transportation funding levels (A.R.S. § 15-945A5) and the charter school "Additional Assistance" amounts (A.R.S. § 15-185B4) by 0.99% for standard inflation.	5,14,19,44
115.	* As permanent law, re-establish the original FY 2016 base level of \$3,426.74 (rather than \$3,600.00) for FY 2016 and \$3,460.66 (rather than \$3,635.64) for FY 2017 if Proposition 123 does not pass.	13
<i>Funding Formula Changes</i>		
116.	As session law, continue to reduce school districts' Additional Assistance state aid by \$352,442,700 and reduce budget limits accordingly. As session law, continue to reduce District Additional Assistance funding to school districts that do not receive state aid in FY 2017 by the amount that would be reduced if they did qualify for state aid for FY 2017 and reduce budget limits accordingly.	35
117.	As session law, continue to reduce Charter Additional Assistance by \$18,656,000.	37
118.	* As permanent law, reduce small school weights for multi-site charter schools by 33% in FY 2017 versus 67% under current law. Retains the current law reduction of 100% in FY 2018.	5
119.	As session law, continue to cap total District Additional Assistance reductions for school districts with fewer than 1,100 students at \$5,000,000.	36
<i>District-Sponsored Charter Schools</i>		
120.	As permanent law, repeal statutes authorizing district-sponsored charter schools starting in FY 2017.	2,3,4,5,6,22,27,28,29,43
121.	* As permanent law, repeal A.R.S. § 15-185A7, which otherwise would require school districts that convert district-sponsored charter schools back to non-charter status for FY 2017 to repay to the state all cumulative charter additional assistance funding that it received for the charter school for all years that the charter school was in operation. The repeal would take effect prior to the start of FY 2017.	5,43
122.	* As session law, amend Laws 2014, Chapter 16, Section 5 in order to clarify that eliminating district-sponsored charter schools does not make affected districts eligible for District Additional Assistance growth funding pursuant to A.R.S. § 15-961B3, which was the original policy intent.	30,43
123.	* As session law, also amend the language in Laws 2014, Chapter 16, Section 5 to make that section of law apply to FY 2017 in order to address school districts that still operate district-sponsored charters in FY 2016.	30
124.	* As session law, repeal, for after FY 2016, language in Laws 2014, Chapter 16, Section 6 that caps ADM in district-sponsored charters schools at 120% of their FY 2013 district-sponsored charter school ADM, since authority for district-sponsored charter schools will be repealed after FY 2016.	31,43
125.	* As session law, indicate that it is the intent of the Legislature that school districts that operated district-sponsored charter schools in FY 2016 receive approximately the same amount of incremental charter school funding in FY 2017 that they received in FY 2016.	41
<i>Current Year Funding</i>		
126.	* As permanent law, make "current year funding" apply only to the calculation of Base Support Level (BSL) funding. Continue to use prior year student counts for small school budget exemptions, budget overrides, the K-12 rollover, Classroom Site Fund, Instructional Improvement Fund, lump sum reductions, high school tuition calculations and District Additional Assistance funding.	13,14,17,18

127.	* As permanent law, repeal the BSL “sudden growth” statute, since all districts will receive current Base Support Level funding.	9,11,12,15,16, 20,21,23,24, 25,26
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Other

128.	* As permanent law, establish a program in the Department of Education that would provide bonus funding starting in FY 2018 to school districts and charter schools for each test passed by one of their students in the prior school year that qualifies the student for college credit. As permanent law, require at least 50% of the funding to be used for salary bonuses for associated teachers with the remainder for teacher professional development, student instructional support or materials.	8
129.	* As session law, establish a code writers initiative pilot program and appropriate \$500,000 in non-lapsing funding to it from the state Web Portal Fund.	40
130.	As session law, continue to stipulate that \$100,000 of the \$3,646,400 School Safety Program appropriation for FY 2017 is to be used for a pilot program on school emergency readiness and establish requirements for the pilot program.	34
131.	As session law, continue to require the department to report to the Governor, President of the Senate and Speaker of the House of Representatives results of the pilot program on school emergency readiness by November 1 of the fiscal year.	34
132.	* As session law, amend Laws 2014, Chapter 17, Section 19 to make monies appropriated for the Technology-Based Language Development and Literacy Intervention Pilot Program for FY 2015 non-lapsing through FY 2017 and FY 2016 monies non-lapsing through FY 2018.	33
133.	* As permanent law, change the reporting dates for the Technology-Based Language Development and Literacy Intervention Pilot Program in A.R.S. § 15-217G to reflect the extended schedule.	7
134.	* As session law, change the date for repealing statute pertaining to the Technology-Based Language Development and Literacy Intervention Pilot Program to reflect the extended schedule.	32
135.	As session law, continue the provision in the FY 2016 budget stating that it is the intent of the Legislature and Governor that school districts increase the total percentage of classroom spending in the combined categories of instruction, student support and instructional support as defined by the Auditor General.	35

School Facilities Board

136.	* As session law, allow a school district to use SFB new school facilities funding to reimburse itself for SFB-approved new construction that the district funded initially with non-SFB monies. Applies only to monies appropriated to the SFB for new school facilities during FY 2017 and FY 2018.	27,43
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LAND TRUST ADMINISTRATION REFERRAL RETRACTION - HCR 2051

State Land Department	<u>Section</u>
137. * As session law, retract November 2016 ballot measure to fund Land Department administrative expenses from Permanent Trust Fund.	1

REVENUE - CHAPTER 125 (HB 2708)

Arizona Department of Agriculture	<u>Section</u>
138. As session law, continue fee raising authority and an exemption relating to establishing fees for the Arizona Department of Agriculture in FY 2017. The bill continues an intent clause that limits additional revenues to \$357,000.	11

State Department of Corrections

139. * As permanent law, extend the allocation of luxury tax revenues to the Corrections Fund, retroactive to July 1, 2015.	1,2,29
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Counties and Cities & Towns

140. As session law, continue to allow counties with a population below 250,000 in the 2010 decennial census to use any source of county revenue to meet a county fiscal obligation for FY 2017, up to \$1,250,000 of county revenue for each county. No longer permit use of this provision by counties with a population greater than 250,000. Requires counties using this authority to report to the Director of JLBC on the intended amount and sources of funds by October 1, 2016. 14
141. * As session law, waive any penalties to La Paz County for exceeding county expenditure limitations in FY 2014, FY 2015, and FY 2016. Only penalties associated with expenditures from operating the county's landfill are waived. 16
142. * As permanent law, require the board of supervisors to spend any unspent monies that remain in the Elderly Assistance Fund after December 31, 2015 and any subsequent appropriations to the Elderly Assistance Fund solely on the Elderly Assistance Program. 4,29

Department of Financial Institutions

143. As session law, continue to allow the Department of Financial Institutions to use the Financial Services Fund for general operating expenditures of the department. 13
144. As session law, continue to allow the Department of Financial Institutions to spend up to a total of \$850,000 from the Receivership Revolving Fund to develop and implement a new licensing system through FY 2017. 6

Department of Gaming

145. * As session law, transfer the balance of \$23,700 in the Racing Administration Fund to the Racing Regulation Fund on or before October 1, 2016. 15

Department of Insurance

146. As session law, continue to suspend the requirement that fees collected by the department be between 95% and 110% of the department's appropriation. 7

Department of Liquor Licenses and Control

147. * As session law, extend the permission for the agency to spend \$626,700 of its FY 2015 appropriation and \$400,000 of its FY 2016 appropriation for its licensing and imaging system upgrade through FY 2017. 12

Department of Public Safety

148. As session law, continue the previously-approved \$30,000,000 shift of Highway Patrol costs from HURF to the General Fund in FY 2018. 8
149. * As session law, deposit \$30,000,000 of General Fund monies to local HURF for a one-time distribution. 9

Radiation Regulatory Agency

150. As session law, continue fee raising authority and an exemption relating to establishing fees for the Radiation Regulatory Agency in FY 2017. The bill continues an intent clause that limits additional revenues to \$561,000. 10

Department of Revenue

151. * As permanent law, continue to require the department to report to the Directors of JLBC and OSPB on the amount of individual income tax credits claimed for a given fiscal year within 3 months of the end of a fiscal year. Also adds corporate income tax credits to the reporting requirement. 5
152. As session law, continue legislative intent statement that local fees to fund the Department of Revenue (DOR) are not to exceed \$20,755,835 and are to be allocated between cities and towns, counties, the Maricopa Association of Governments and the Pima Association of Governments based on the prorated share of all revenues distributed to them (excluding Highway User Revenue Fund money). 18

153.	* As session law, implement a tax amnesty program for unpaid individual income, corporate income, and transaction privilege tax liabilities that are not under audit by DOR. This applies to annual taxpayers' tax years ending before January 1, 2014 and February 1, 2015 for all others. Taxpayers may choose to pay off tax liabilities at once or over 3 years.	17
154.	* As session law, establish the Veterans' Income Tax Settlement Fund and appropriate \$2,000,000 of General Fund money to the fund in FY 2017. Permit Native American veterans to file claims with DOR and Department of Veterans' Services by December 31, 2017 for settlement payments of any state individual income tax withheld from military pay received from September 1, 1993 through December 31, 2005 while they were domiciled on a reservation. Require DOR to report on settlement payments to the Legislature on or before October 1 of 2017 through 2019. Any money remaining in the fund on June 30, 2019 will revert to the General Fund.	19-28
155.	* As permanent law, amends the discount rate on the purchase of tobacco tax stamps from 96.0% of the face value of the stamps to 96.48%, grants an administrative allowance of 3.52 cents on tobacco tax stamps with a \$0 tax rate, grants an administrative allowance of 3.52 cents for tobacco tax stamps sold on tribal lands with a tax rate greater than \$0 if the tax payment is not precollected, and specifies that rebates on precollected payments for tax stamps sold on tribal lands shall be equal to the full face value of the stamps.	3

GENERAL APPROPRIATION ACT PROVISIONS - CHAPTER 117 (HB 2695)

These provisions are in addition to the individual agency appropriations.

Arizona Department of Administration		<u>Section</u>
156.	As session law, continue to provide ADOA the FY 2017 appropriation authority to spend certain Automation Projects Fund remaining balances as of June 30, 2016 for the same respective purposes specified in FY 2016 after a report to JLBC.	129
Department of Child Safety		
157.	* As session law, extend availability of the \$19,500,000 DCS transition appropriation through the end of FY 2017.	2
158.	* As session law, eliminate the \$11,000,000 payment deferral to providers in FY 2016. Appropriate \$11,000,000 in FY 2016 for these deferred payments.	9,113
159.	* As session law, permit the department to use up to \$35,000,000 from the Budget Stabilization Fund for the purpose of providing funding for reimbursement grants. Requires the appropriation to be fully reimbursed by September 1, 2016 and prohibits the use of the appropriation for additional programmatic expenditures. Requires DCS, DES, and ADOA to report to JLBC by November 30, 2016 on how agencies will improve the federal reimbursement claiming process in FY 2017.	114
Arizona Commerce Authority		
160.	As session law, in accordance with statute (A.R.S. § 43-409), allocate \$21,500,000 of General Fund withholding tax revenue to the Authority in FY 2017.	134
Counties and Cities & Towns		
161.	As session law, continue to appropriate \$550,000 to all counties with populations under 200,000 people according to the 2010 Census. As session law, continue to appropriate \$500,000 to Graham County.	128
162.	* As session law, appropriate \$8,000,000 to all counties in an amount proportionate to their relative population in the 2010 census.	128
163.	As session law, in accordance with statute (A.R.S. § 9-601), continue to appropriate \$20,449,000 from the General Fund for the Phoenix Convention Center.	153
164.	As session law, continue to provide an estimate of \$10,000,000 for the amount of sales tax revenues that will be distributed to the Rio Nuevo Multipurpose Facility District-in accordance with statute (A.R.S. § 42-5031).	154

Department of Economic Security

165. * As session law, eliminate the \$21,000,000 payment deferral to providers in FY 2016 by appropriating \$21,000,000 in FY 2016 for these deferred payments. 9,116
166. * As session law, permit the department to use up to \$35,000,000 from the Budget Stabilization Fund for the purpose of providing funding for reimbursement grants. Requires the appropriation to be fully reimbursed by September 1, 2016 and prohibits the use of the appropriation for additional programmatic expenditures. Requires DCS, DES, and ADOA to report to JLBC by November 30, 2016 on how agencies will improve the federal reimbursement claiming process in FY 2017. 114

Department of Education

167. As session law, continue to defer \$930,727,700 in Basic State Aid payments from FY 2017 to FY 2018. Appropriate \$930,727,700 in FY 2018 for these deferred payments. Continue to exempt school districts with less than 600 students from the K-12 rollover. Allow the Department of Education to make the rollover payment no later than July 12, 2017. 162
168. * As session law, appropriate \$31,000,000 in one-time monies from the state General Fund in FY 2017 to backfill school district state aid losses that otherwise would occur in FY 2017 due to the implementation of current year Base Support Level (BSL) funding and increase budget limits accordingly, including budget limits of school districts that do not qualify for state aid. Stipulate that if \$31,000,000 is insufficient, Basic State Aid monies will be used to fund the difference and that surplus monies, if any, will be reverted to the state General Fund. 141
169. As session law, continue to require school districts to include in the FY 2017 revenue estimates that they use for computing their FY 2017 tax rates the rollover monies that they will receive for FY 2017 in July 2017. 162

Judiciary

170. * As session law, states that judicial salaries shall be increased by 1.5% on January 1, 2017 and another 1.5% on January 1, 2018.

Universities

171. * As session law, eliminate the \$200,000,000 universitywide payment deferral in FY 2016. Appropriate \$200,000,000 in FY 2016 for these deferred payments. 3-7,9

Debt Service

172. As session law, appropriate \$84,117,400 from the General Fund to the Arizona Department of Administration in FY 2017 for a debt service payment on the 2010 sale and leaseback of state buildings. 152

Revenues

173. As session law, continue to specify revenue and expenditure estimates for FY 2016, FY 2017, FY 2018, and FY 2019. 169
174. As session law, continue to require the Executive Branch to provide JLBC preliminary estimates of FY 2016 ending balances by September 15, 2016. Require JLBC Staff to report to JLBC by October 15, 2016 as to whether FY 2017 revenues and ending balance are expected to change by more than \$50,000,000 from budgeted projections. 169

Statewide

175. * As session law, ex-appropriate \$(8,047,400) from the General Fund and \$(8,561,500) from Other Appropriated Funds in FY 2017 to annualize an employer health insurance contribution reduction implemented on January 1, 2016. The JLBC Staff shall determine and ADOA shall allocate these adjustments to individual agencies to reflect the reduced contribution amount. Require JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments. 163
176. As session law, continue to specify FY 2017 individual agency charges totaling \$1,809,500 for general agency counsel provided by the Attorney General. 164

177.	As session law, continue to state legislative intent that all budget units receiving appropriations continue to report actual, estimated and requested expenditures in a format similar to prior years.	165
178.	As session law, continue to require ADOA to compile a report on Full-Time Equivalent (FTE) Position usage in FY 2016 in all agencies and provide it to the JLBC Director by October 1, 2016. The Universities are exempt from the report but are required to report separately.	166
179.	As session law, continue to require each agency to submit a report to the JLBC Director by October 1, 2016 on the number of filled appropriated and non-appropriated FTE Positions by fund source as of September 1, 2016.	167
180.	As session law, continue to require ADOA to report monthly to the JLBC Director on agency transfers of spending authority from one expenditure class to another or between programs.	168

General

181.	As session law, continue to define “*” as designating an appropriation exempt from lapsing.	170
182.	As session law, continue to define “expenditure authority” as continuously appropriated monies included in individual line items of appropriations.	171
183.	As session law, continue to define “review by the Joint Legislative Budget Committee” as a review by a vote of a majority of a quorum of the members.	172

MAJOR FOOTNOTE CHANGES

The Plan would include the following major additions, deletions or modifications of footnotes. This list does not include footnotes pertaining to one-time reports or appropriations or footnote changes conforming to enacted policy.

Arizona Department of Administration

184.	Adds footnote requiring the department to report to JLBC on information technology and automation project oversight positions in the department by October 1, 2016.	13
185.	Adds footnote requiring certain agencies with one-time information technology appropriations in FY 2017 to complete a Project Investment Justification (PIJ) approved by ADOA’s Arizona Strategic Enterprise Technology (ASET) Office (Barbers, Funeral Board, Massage Therapy, Naturopathic Physicians, Nursing Care Administrators, Osteopathic Examiners, Pharmacy, Physical Therapy, Technical Registration, and Veterinary Medical Examiners).	21,46,66,69, 72,76,80,81, 97,108
186.	Revises footnote allowing the department to replace vehicles after an average of 80,000 miles instead of 120,000 miles. Adds footnote requiring the department to report to the JLBC by August 1, 2017 on any maintenance savings achieved by replacing vehicles with an average of 80,000 miles.	13

Arizona Department of Administration - Automation Projects Fund

187.	Adds footnote extending permission to spend FY 2015 appropriations for the Department of Child Safety Children’s Information Library and Data Source system project through the end of FY 2017.	129
188.	Adds footnote extending permission to spend FY 2015 appropriations for the Department of Corrections’ Adult Inmate Management System project through the end of FY 2017.	129
189.	Adds footnote extending permission to spend FY 2015 appropriations for the Department of Environmental Quality’s e-licensing project through the end of FY 2017.	129
190.	Adds footnote for the \$800,000 appropriation from the APF regarding the third-party statewide comprehensive information technology audit. Requires any new information technology project over \$15,000,000 to be delayed until the completion of the audit.	129
191.	As session law, appropriates \$12,000,000 from the APF to replace the state’s e-procurement system. Appropriate \$3,000,000 from the General Fund in FY 2017 for deposit into the APF. Appropriate \$9,000,000 from other fund sources in FY 2017 for deposit into the APF. The JLBC Staff shall determine and ADOA shall allocate the other fund adjustments to individual agencies to permit them to pay the transfer.	130
192.	As session law, allows the department to use \$3,103,000 from the FY 2014 APF appropriation through FY 2017 for the replacement of the state’s e-procurement system.	1

AHCCCS

193. Adds footnote requiring the agency to transfer \$1,200,000 to the Department of Health Services in FY 2017 for the costs of prescription medications for seriously mentally ill patients at the Arizona State Hospital. 17
194. Adds footnote requiring the agency to report changes in capitation rates for reimbursement of the Affordable Care Act health insurer fee. The agency was previously required to submit these changes for JLBC review. 17

Attorney General - Department of Law

195. Adds footnote requiring the agency to submit for review by JLBC an expenditure plan for its FY 2017 Internet Crimes Against Children appropriation by June 1, 2016. 19

Department of Child Safety

196. Adds footnote requiring that the amounts appropriated for any line item shall not be transferred to another line item unless such a transfer of monies is reviewed by the JLBC. 24
197. Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item. 24
198. Deletes footnote concerning backlog Request for Proposals.
199. Revise quarterly benchmark report to include: a) caseload standard, b) new backlog benchmarks (under 1,000 cases by June 2017), and c) out-of-home caseload (11.4% reduction between December 2016 and June 2018.) If report is not timely, require 2% operating budget reduction until report is submitted. 24
200. Adds footnote that make all case aide and backlog privatization funding (and 75% of overtime funding) contingent upon JLBC review of DCS' proposed contractor awards to address the backlog. 24
201. Adds footnote restoring FY 2015 monthly hiring report (now quarterly in FY 2016). 24
202. Adds footnote requiring the agency to submit for review by JLBC the number of hired administrative staff by June 1, 2016. 24
203. Adds footnote specifying the type of administrative staff to be hired and requiring the agency to submit for review by JLBC a hiring plan for the new administrative staff by September 30, 2016. 24
204. Adds footnote requiring DCS to submit a summary of an internal financial process audit to the JLBC by July 2016. 24
205. Adds a footnote detailing the components of child safety expenditure authority. 24

Arizona Commerce Authority

206. Adds footnote requiring the agency to submit for JLBC review a report on progress made in implementing recommendations in the 2015 Auditor General report. 135

Corporation Commission

207. Adds footnote requiring the Corporation Commission and WIFA to jointly report on the expenditures from the Small Water Systems Fund in FY 2017 by August 1, 2017. Adds footnote stating that emergency grants from the Small Water System Fund are exempt from procurement requirements. 150

Arizona Department of Corrections

208. Adds footnote that sets aside funding for the annualized cost of a 4% adjustment for the fourth year of inmate health care services contract. 29

Arizona Criminal Justice Commission

209. Adds footnote requiring the commission to report to JLBC by August 31, 2016 on noncompliance with Anti-Racketeering Revolving Fund statutory reporting requirements. 31

Department of Economic Security

- 210. Deletes FY 2016 footnote requiring any federal TANF block grant monies in excess of the original FY 2016 combined DCS and DES TANF appropriation to be reverted to the General Fund. This footnote was already deleted in the FY 2017 Baseline.
- 211. Deletes footnote concerning the proportional reduction of General Fund dollars to DES and DCS for every Federal TANF Block Grant dollar received in excess of their appropriation.
- 212. Adds footnote requiring DES to submit an expenditure plan to JLBC for review of any new Division of Developmental Disabilities salary adjustments not previously reviewed by JLBC. 35
- 213. Adds footnote requiring DES to report on the number of filled positions in the Division of Developmental Disabilities. Requires DES to submit an expenditure plan for a review of its staffing levels. 35
- 214. Adds footnote that the appropriated amount includes \$2,791,800 from the General Fund and \$6,260,600 in total expenditure authority for an across the board 1% full year rate adjustment for providers of services to the developmentally disabled population whose current rates are below 100% of the benchmark rate, in addition to any adjustment as part of the aggregate 2.5% capitation rate increase. The department shall report to the JLBC by August 1, 2016 on its distribution plan. 35

Arizona Department of Education

- 215. Adds footnote indicating that the amount appropriated for Basic State Aid from the Permanent State School Fund for FY 2017 shall be reduced by \$(172,444,700) if Proposition 123 is not approved by voters. 37
- 216. Adds footnote indicating that, if Proposition 123 is not approved by voters, \$74,394,000 of the FY 2017 Basic State appropriation shall be used as an Additional Inflation payment as authorized in the original FY 2016 General Appropriation Act. 37
- 217. Adds footnote indicating that the department's operating budget includes \$500,000 for technical assistance and state level administration of the K-3 Reading program established by A.R.S. § 15-211. 37
- 218. Deletes footnote concerning the intended use of monies appropriated to the K-3 Reading line item, as the budget incorporates funding for that line item into other programs. 37
- 219. Adds footnote allowing ADE to use its FY 2017 appropriation for any FY 2016 Basic State Aid shortfall, subject to JLBC review. 37
- 220. Adds footnote indicating that the \$1,148,000 appropriated for former District-Sponsored Charter Schools (DSCS) for FY 2017 is one-time funding to provide additional Base Support Level (BSL) funding on a one-time basis for FY 2017 for school districts that operated DSCS in FY 2016. Requires ADE to allocate the monies on a pro rata basis to school districts that qualify for state aid in FY 2017 based on the number of Average Daily Membership pupils they had in DSCS in FY 2016 and increase their budget limits accordingly. Requires ADE to make corresponding BSL and budget limit increases for school districts that operated DSCS in FY 2016, but do not qualify for state aid in FY 2017. 37
- 221. Adds footnote indicating that the amount appropriated for Geographic Literacy is one-time, non-lapsing funding to be used to issue a grant to a statewide geographic alliance. 37

Arizona Game and Fish Department

- 222. Adds footnote that the appropriated amount includes \$795,000 for a full-year \$8,700 pay adjustment for certain Game and Fish position classifications. 47

Arizona Judiciary

- 223. Adds footnote requiring monies in the Dependency Surge Funding line item to be passed through to county superior courts for dependency case processing, makes the appropriation non-lapsing for 2 years, and requires the Administrative Office of the Courts to report to JLBC on funding allocations. 60
- 224. Adds footnote for Supreme, Court of Appeals, and Superior Court outlining the amounts allocated to the first year of a 2-year phase-in for a 3% pay raise. 60
- 225. Adds footnote clarifying the inclusion of \$500,000 General Fund in the Supreme Court operating lump sum appropriation for the establishment of 2 new Supreme Court Justice positions. 60

226.	Adds footnote requiring the Administrative Office of the Courts to report to the JLBC on overall probation officer salary adjustments in FY 2017.	60
227.	As session law, establishes a salary increase of 1.5% on January 1, 2017 and an additional 1.5% on January 1, 2018 for all supreme court justices, court of appeals judges, and superior court judges.	143
Arizona Parents Commission on Drug Education and Prevention		
228.	Adds footnote delineating the provisions of the school prevention education program. The program would be required to promote positive life choices by middle school and high school students, and would incorporate an educational prevention component focusing on substance abuse, mental health, violence, and other risky behaviors.	147
Arizona State Parks Board		
229.	Adds footnote requiring the State Parks Board to receive JLBC review of the agency expenditure plan for the \$1,500,000 State Parks Revenue Fund FY 2017 appropriation prior to expenditure. States that the agency expenditure plan must demonstrate that the estimated amount of Federal Funds the board will receive during FY 2017 is less than the actual amount of Federal Funds received in FY 2016 and the amount spent by the board in FY 2017 may not exceed the decrease in Federal Funds between FY 2016 and FY 2017.	145
Department of Public Safety		
230.	Adds footnote requiring JLBC review of Border Strike Force expenditure plans.	87
231.	Adds footnotes specifying funding available for local governments from Border Strike Force appropriation.	87
232.	Adds footnote requiring DPS to submit an expenditure plan for monies in the Sexual Assault Kit Testing line item.	87
233.	Adds footnote requiring DPS to procure virtual law enforcement training equipment through a competitive bid process.	87
234.	Adds footnote indicating amounts allocated to a salary increase and requires DPS to report to JLBC by August 1, 2016 on its pay adjustment plan.	87
Arizona State Retirement System		
235.	Adds footnote extending permission to spend FY 2016 appropriations for information technology security through the end of FY 2017.	122
Department of Revenue		
236.	Adds footnote requiring JLBC review of any transfers to or from the Income Tax Fraud Prevention line item.	93
237.	Adds footnote requiring the department to report the results of private fraud prevention investigation services during FY 2016 to JLBC by November 1, 2016.	93
School Facilities Board		
238.	Deletes footnote requiring the agency to transfer \$1,000,000 from the Building Renewal Grants line item to the Emergency Deficiencies Correction Fund in FY 2015.	
239.	Adds footnote requiring SFB to report transfers of funds out of the Debt Service line item 30 days prior to implementation.	94
240.	Adds footnote reverting \$16,705,000 to the General Fund in FY 2017 and in FY 2018 if SFB determines that the Agua Fria School District project no longer qualifies for new school construction funding based on revised enrollment projections.	94,155
Secretary of State		
241.	Adds footnote requiring that the monies in the Election Services line item be used only to pay for the statewide election publicity pamphlet and as pass-through to county elections divisions to reimburse for the costs of elections.	95

242.	As session law, appropriates supplemental funding to the Secretary of State for reimbursements to counties for the administration of the 2016 presidential preference election. Requires the Secretary of State to reimburse counties with an active voter registration of over 450,000 at a rate of \$2.50 per voter; 35,000 to 450,000 at a rate of \$3.00 per voter; and less than 35,000 at a rate of \$3.50 per voter; or the amount included in a cost estimate submitted to the Secretary of State before October 30, 2015, whichever is less. States that this appropriation does not set a precedent for any future Presidential Preference Election reimbursement levels. Requires Secretary of State to report to JLBC and OSPB on reimbursements made pursuant to this section.	125
Arizona Department of Transportation		
243.	Adds footnote requiring an annual third-party review of the Motor Vehicle Division (MVD) legacy automation system replacement project. Requires JLBC review of the February 1, 2017 report.	99
244.	Adds footnote requiring the department to report by July 31, 2017 on the cost to link local governments, state agencies, and other users to the new MVD automation system.	99
245.	Adds footnote requiring ADOT to report by August 1, 2016 on the use of state's share of fees retained by the Service Arizona vendor.	99
246.	Adds footnote requiring all expenditures for Attorney General legal services to be funded only from the Attorney General Legal Services line item.	99
Universities		
247.	Adds footnote requiring JLBC Staff to use the overall appropriated operating budget General Fund/tuition split for each University when allocating each university's specific statewide adjustments.	101
248.	Adds footnotes for the new ASU School of Civic and Economic Thought and Leadership line and the existing UA Freedom Center line item. General Fund support is to not supplant private resources and the line items are not to be charged for indirect costs.	102,106